



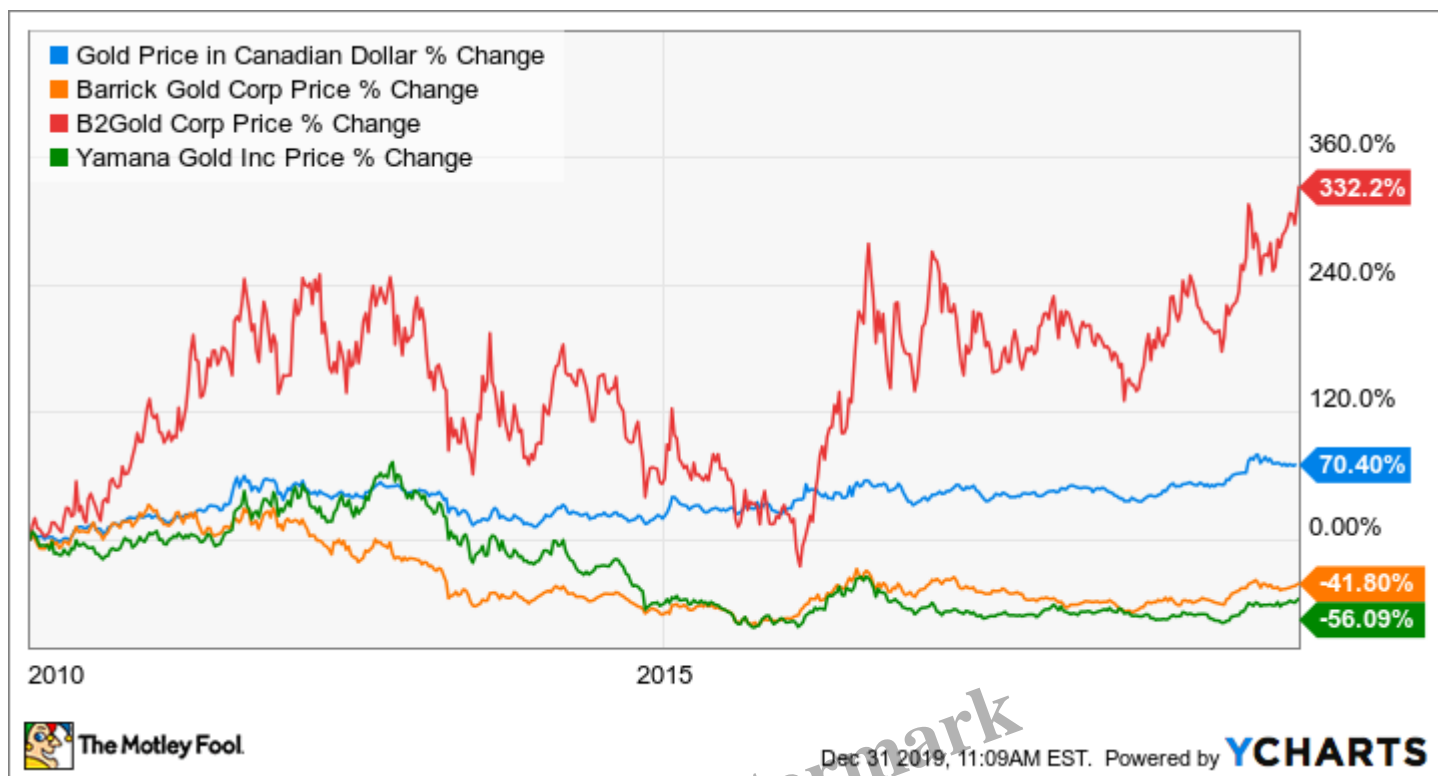
#1 Gold Stock to Buy for the 2020 New Year

Description

Gold is one of the best long-term investments to make, but gold stocks still carry substantial risk. Throughout 2019 gold has filled the headlines due to recession fears, inflation concerns, and rising commodities prices.

Savvy Canadians may want to buy and hold some assets in gold in 2020, but may not know how to invest in gold in the stock market.

Here's a long-term comparison of the top three most popular gold stocks by volume on the **Toronto Stock Exchange** today: **B2Gold Corp** ([TSX:BTO](#))([NYSEMKT:BTG](#)), **Barrick Gold Corp** ([TSX:ABX](#))([NYSE:GOLD](#)), and **Yamana Gold Inc** ([TSX:YRI](#)).



[Gold Price in Canadian Dollar](#) data by [YCharts](#)

As you can see, [holding physical gold is a less volatile](#) and more dependable investment than the three most popular gold stocks in Canada over the long term.

If you are planning on buying and holding gold assets as a part of your retirement savings, you can reduce the risk of your investment by bypassing the stock market.

If you have the means to store the gold cheaply, the physical asset is a much better investment than gold stocks.

The price of shares in gold stocks are more volatile, which means they carry more liquidity risk – even as a long-term investment.

If you'd purchased stock in either Barrick Gold Corp or Yamaha Gold Inc 10 years ago, you would have lost between 40% to 60% of your initial investment.

Nevertheless, if you must buy shares in gold stocks, B2Gold Corp might be a good bet given its positive long-term stock market performance.

B2Gold Corp outperformed other gold stocks on the TSX

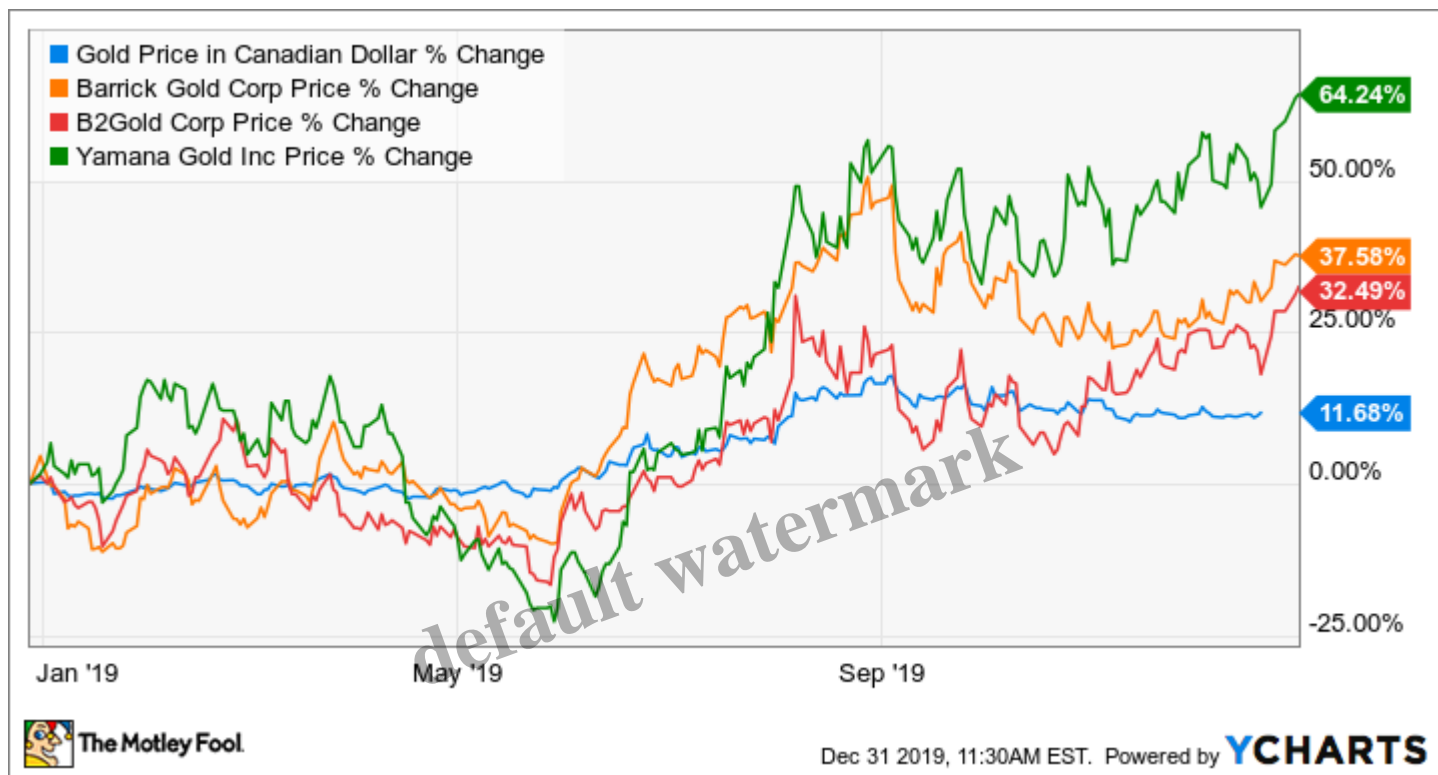
B2Gold Corp beat both Barrick Gold and Yamaha Gold on the **TSX** in the past 10 years. Barrick and Yamaha were long-term losers, but the percent change on the price of B2Gold stock was a positive 332.2%. The price gain on B2Gold outpaces even the 70.4% appreciation in the physical gold price.

Over a one-year time frame, B2Gold has been a laggard on the stock market at a price increase of 32.49%. Yamaha Gold was the winner this year, with a 64.2% gain on the TSX. Barrick Gold

performed just over half as well as Yamaha at a 37.58% change.

The fact that all three stocks outperformed the physical price of gold, which only increased by 11.68% this year, indicates that gold stocks may not do as well next year.

When the cost of an asset rises faster than the underlying commodity, savvy investors should worry about overvaluation and future downward corrections.



[Gold Price in Canadian Dollar](#) data by [YCharts](#)

Gold investors may want to focus on long-term performance

B2Gold's slower price gain this year may indicate that it missed out on some of the 2019 speculative trading in the stock market this year.

This stock may be a safe gold buy for 2020, although Canadian investors should still exercise caution when buying into any gold stock as these assets are susceptible to price bubbles.

Despite a similar one-year price performance compared to B2Gold, Barrick Gold's 10-year price history makes this stock too risky of a bet for 2020.

Likewise, gold investors should steer clear of Yamaha Gold next year. It may seem like last year's price rise makes this stock a good buy, but the truth is quite the opposite. This stock is volatile and will probably experience a downward correction in 2020.

You can always place your trust in the physical gold commodity itself, but you may also want to check

out this [FinTech alternative to storing physical gold](#).

CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:ABX (Barrick Mining)
4. TSX:BTO (B2Gold Corp.)
5. TSX:YRI (Yamana Gold)

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